

## **Low pay for US workers spawns push for raise - but also objections**

Washington (dpa) - An average day for Sontia Bailey of Washington, DC begins at 6 am at the US Capitol building and ends around midnight at a fast food chain. Though the two locations differ, Bailey's job - and pay - are fairly similar at both

She is a cashier for a cafe inside the Capitol building, and an employee behind the counter at Kentucky Fried Chicken.

Between the two jobs she puts in 70 hours a week, Bailey said while on strike at a rally at her workplace, the Capitol. Her current jobs pay between 10.50 and 11 dollars per hour - above the federal minimum wage of 7.25 dollars, but still below the 14.84 dollars that experts say she needs for a living wage.

The lengthy hours have taken a toll on her health. She had been hoping that the hard-earned cash would help make a better life for herself and a baby she was expecting, until she passed out and had a miscarriage from all of the work and stress.

"No mother should wake up in the hospital. No mother should wake up and say goodbye to their sweetie," Bailey said through tears.

"The truth is I couldn't afford to grieve. I had to get back to work so I could have a proper and decent funeral for my baby ... If I had made 15 dollars an hour at the US Capitol, I wouldn't have to work two jobs. If I had just one good paying job I would be a new mother today," she said.

Nearly 100 demonstrators joined the rally at the US Capitol, and Democratic presidential candidate Bernie Sanders, a US senator, spoke. He called for a 15-dollar minimum wage not just in Washington DC, but from "coast-to-coast."

"Workers like Sontia should not be forced to work 70 hours a week and sacrifice their health," Sanders said. "7.25 dollars an hour ... is a starvation wage that needs to be raised to a living wage."

Sanders has introduced legislation to raise the minimum wage to 15 dollars. The proposal is a long shot in the Republican dominated

Congress, which has ignored President Barack Obama's proposals to raise it to only 10.10 dollars.

Some cities already have implemented a 15-dollar standard for all of its workers. Seattle, Washington went first, followed by Los Angeles, California. New York's Governor Andrew Cuomo is expected to approve a 15-dollar wage for fast-food workers in his state.

Other states and cities have in the last two years mandated wages above the federal minimum, but not as high as 15 dollars.

Los Angeles Mayor Eric Garcetti backed the plan passed by the City Council that will see wages gradually increase to 15 dollars by 2020.

He said that employers in the city have given positive feedback so far, and other outlying areas are considering the same.

The Los Angeles Economic Development Corporation provided a key survey of 1,000 businesses in the city and surrounding area that both supported the raise and raised serious questions about it.

It projected that there would be few of the economic consequences that critics warn of, such as high drops in employment and cuts in hours worked by minimum wage workers.

"I was even blown away," Garcetti said about the findings of the study at a press conference in Washington. "Of the 1,000 businesses, zero of them said they would pack up and leave if the minimum wage was raised."

The study showed that 71 per cent of businesses would not reduce the number of minimum wage workers, while 2 per cent said they would make cuts. Twenty-seven per cent were not sure.

Fifty-nine per cent of the companies said they also would not reduce hours for minimum wage workers, but 6 per cent said they could foresee that happening. Thirty-five per cent were not sure.

But there was a downside to the study. While the push to raise minimum wage is motivated by the push to raise people out of poverty, the study concluded that it would likely have "little impact, if any, on poverty in Los Angeles."

In line with what other economists have said about raising the minimum wage, the study projected that the increase would likely cause prices to increase for products that lower-income households commonly purchase.

In fact, 62 per cent of the businesses said they would likely boost prices for their products while only 1 per cent said that prices would stay the same. And 37 per cent were not sure.

While Garcetti said the increase is right for Los Angeles, he does not believe that every city is in a situation to implement such a large wage increase.

"15 is a fine number to organize towards," Garcetti said. "You need to cater it towards what is right for your own city."

The widely used standard for calculating how much a worker needs to live - called the "living wage" - is offered by the Massachusetts Institute of Technology (MIT) in Boston, which has made calculations for every region. The study looks at the cost of typical expenses such as food, child care, housing, transportation and others to calculate a living wage that also takes into account marital status and children.

For example, the living wage for a single adult in Washington DC is 14.84 dollars per hour, while it is 10.98 dollars in central Wisconsin. If a family has two working adults and two children the living wage becomes 20.27 dollars per hour in Washington, DC.

Critics say that an increase in the minimum wage - or even the very existence of such a federal or local mandate - does not help get families out of poverty.

"Any minimum wage is too high," Don Boudreaux, professor of economics at George Mason University in Virginia, told dpa.

"The main damage, and the only one that I am really concerned about, is that it prices some low skilled workers out of jobs," he said. "It denies employment to many of the workers who are the intended beneficiaries of the legislation."

Boudreaux says the unintended effect for low-skilled workers is that it will dramatically lower the income to zero for the unknown number of workers who might lose their jobs.

"Some group of people are being denied the opportunity to voluntarily agree to work at some wage lower than 15 dollars, and the government is saying 'No you many not' and those [people] have to remain unemployed," he said. "I don't see any justification for that. I think that is cruel to those people."

He said that the harsh truth is that the benefit of a job at minimum wage will likely go to someone who has benefits such as a good skill set and a reliable form of transportation.

"The workers most likely to lose their jobs will not be the well educated kids, with proper English, from the leafy suburbs, but will be the poor inner city kids, or immigrants with broken English," Boudreaux said. "They'll be the first to lose their jobs when the minimum wage rises and they are most likely poverty stricken."

Even some who have worked at minimum wage agree that the federal minimum wage should not be raised.

Justin Maggiori, 25, of Madison, Wisconsin, had to work two jobs at the 7.25 federal minimum wage to provide for himself over a year. He has since moved up to a wage higher than the minimum, and what he recalls is that his 40-60 hour work weeks were not so bad.

"It might be the certain context. At the time I was single, I didn't have any kids, I wasn't going to school... I didn't have any debt. All of that stuff sort of played in my favour," Maggiori told dpa in a phone interview.

He worked that year as a telemarketer and a cashier at a pizza place at a wage that was about 3.50 dollars below MIT's living wage of 10.98 for Madison.

He said it was not easy, but also not terribly hard and he thinks it helped him get a better paying job he has today as a financial systems analyst.

"When I was working at minimum wage, they had opportunities for people to move up into shift management and assistant management ... even in situations like mine where no college education was required," Maggiori said. "All you had to do was get your hands a little bit dirty and do some work."